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# ATTACKING THE PROBLEM OF WORLD HUNGER

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By Bob Bergland.

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With our abundance of food and technological skill, it defies logic that up to a billion people throughout the world—underfed and undernourished—live on the razor's edge of existence. But logical or not, the problem is real, pervasive, and inexcusable.

Whether the world can meet its expanding need for food is an enormously complicated question. It involves widely divergent views about the magnitude of the world food problem and our ability to solve it. If there is any agreement on any aspect of the problem, it is on the acknowledgement that there is no simple solution.

*World Agriculture In Transition.* In the past 5 years, economic and social changes have created uncertainties in domestic and world agriculture. Today, farming must deal not only with nature but with basic changes in the character of agriculture as well.

Nations are increasingly interdependent: Domestic and international agricultures have become integrated economically and in other ways. Agriculture is a world economy, affected by new public concerns such as consumer costs, environment, and the availability and cost of energy. We in the United

States are only beginning to fully appreciate the extent to which our domestic prosperity, economic stability, standard of living and even national security are linked with the rest of the world—and theirs with ours—particularly the developing countries. Many of our most pressing problems such as inflation, immigration, stagnation and job creation can only be satisfactorily resolved in cooperation with our less wealthy neighbors.

Farm producers and urban consumers are at the opposite ends of a lengthening market chain. The farm product component of food costs has become so comparatively small that most changes in producer prices have little impact on consumer prices. Consequently, consumer prices may respond negligibly to farm price changes that loom very large to the farmer—large enough to threaten him with failure and bankruptcy. (In this negative respect, the agricultures of most developed countries are becoming increasingly similar to agriculture in the United States.) In 1977, personal consumption expenditures for food in the U.S. reached \$218 billion. Yet the farm value of that food represented only about 30 percent of the total.

Farmers are subject to costs they can no longer control: Wherever ag-

riculture is being modernized in the world, increased dependence on high-cost capital goods occurs. These large capital base changes inflate production costs and place producers at the mercy of forces over which they have no control and to which they have inadequate means of adjustment.

In the days of horse and mule farming, in the United States, farmers' costs were generated within the farm economy. Feeds and fertilizer were produced on the farm. Insecticides and pesticides were fewer and less expensive. Power was provided by men and animals. Farmers had considerable control over these "inputs" and their attendant costs.

Today, farmers are dependent on a national credit system. They rely on steelworkers, truckers, dockworkers. They depend on international sources such as the Organization of Petroleum Exporting Countries (OPEC). And this growing dependence on others is not exclusive with American farmers but is important in all countries. It has created an element of instability in the global farm economy that will focus increased attention on the policies of governments.

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The agricultural sector is declining: To one degree or another, in many countries the producer sector is shrinking in comparison to the nonagricultural sector. As a result, farm economies have become more sensitive to nonfarm forces, and food politics more volatile.

Urban groups are sensitive to food prices and have developed the political muscle to bring considerable pressure to bear. This is what caused the U.S. to impose, mistakenly in my view, price controls on meats in 1973, export restrictions on soybeans in 1973, and restraints on exports to some countries in 1974 and 1975.

Since food is so politically sensitive, national governments need to consider agricultural policies—both domestic and international—in a much broader context than was previously the case.

the centrally planned countries per capita consumption was 875 pounds—in the developing world, where grains are primarily consumed directly, slightly more than 400 pounds.

Even within the regions there are sharp variations. Average grain consumption levels among the developed countries ranged from 1,600 pounds in the United States to 600 in Japan; among the centrally planned, from the Soviet Union at 1,700 pounds to the Peoples' Republic of China at 500; and among the developing, from Mexico's 660 pounds to India's 360.

*Existing World Food Conditions.* As recently as 5 years ago, many experts were freely predicting mass world starvation of gigantic proportions. Yet there is—and has been—enough food grain available to feed every

largely absorbed by rapid population growth; (2) distribution of food to the areas of greatest need is the weakest link in the international food chain; and (3) millions of people in the poorer countries are at the lowest rung of the economic ladder and can barely afford subsistence diets.

Given past trends and existing conditions in the world's food supply, there are certain conclusions that may be drawn regarding what lies ahead.

Only two regions—Western Europe and South Asia—appear to be moving toward greater food self-sufficiency. The remaining regions—the Soviet Union, Eastern Europe, East Asia, the Middle East and much of Africa—are on a course leading to greater dependence on foreign production to meet their food needs. The rate of growth in dependence on imports appears to be such that the USSR, East Asia, the Middle East and Africa could account for as much as two-thirds of all grain imports by 1988.

The only regions that are increasing their grain export capabilities are the United States, Canada, Argentina, Australia and South Africa. If present production and export trends continue, Canada and the U.S. will be required to supply 85 percent of the grain needed to meet the production shortfall in the deficit regions. Argentina, Australia and South Africa will account for the remaining 15 percent.

*Meeting Future World Food Needs.* The problem of meeting the world's future food needs is not just a production problem. Nor is it simply a developing-country problem, a population problem, an income problem, or a distribution problem. It is all of these, and more. Hence the solution must be multifaceted, which makes its achievement highly complex and particularly difficult.

The developing world must increase its food production, reduce its rate of population growth, distribute incomes more equitably within its countries, and develop the infrastructure to move food supplies to areas with the most severe food deficits. The developed world must help

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***“The key is to develop and transfer appropriate levels of technology to the poorer countries.”***

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*The Magnitude Of World Hunger.* Estimates of the number of malnourished people in the world range from half a billion to as much as one-fourth of the total population. Discouragingly, there are at least as many undernourished people in the world today as there were 20 years ago even though world grain production has increased 51 percent during that time. Although some improvement in per capita food consumption has been achieved in the developing nations, it has been a struggle to expand food production fast enough to keep pace with population growth.

There are wide variations in the amount of food consumed in various regions of the world. During fiscal year 1977/78, people in the developed countries consumed an average of 1,100 pounds of grain per person, either directly as grain products or indirectly as livestock products. In

man, woman and child in the world. For the past 20 years, if the available world food supply had been evenly divided and distributed, each person would have received more than the minimum number of calories.

In fact, the 4 billion people who inhabited the world in 1978 had available about one-fifth more food per person to eat than the world's 2.7 billion people had 25 years ago.

Furthermore, food production has been increasing. Production of grain, the primary food for most of the world's population, rose from 639 pounds per person during the early 1950s to an average of 794 pounds per person during the past 5 years.

Unfortunately, the averages are deceptive and misleading. They effectively mask certain basic problems which must be resolved before the world hunger problem can be resolved: (1) Food production gains in the developing world have been



the developing world achieve these goals. The incentives to do so are economic and political as well as humanitarian.

Trade and aid policies should be directed toward helping the poor countries develop sound technical and economic programs which will utilize unemployed and underemployed resources. The goal of such programs must be to generate higher incomes for the poor so that they may purchase a more adequate diet. However, if the developing countries are stimulated to adopt farm technologies which rely on huge amounts of capital and little labor, and if the rich countries refuse to import those products that can be efficiently produced and exported, then we will have hindered the solution of their food problems and worsened their hunger problems.

The developing countries generally have the potential, through increased use of modern inputs and methods and/or expanded acreage, to increase their food production. More than anything else, it will take difficult internal policy decisions by local governments to encourage agricultural development. Many developing countries also need to expand their storage facilities and establish reliable systems of national grain reserves. Such reserves will reduce their vulnerability to crop shortfalls and to severe fluctuations in world grain prices.

In this regard considerable attention is being focused on the proposed massive program in the Peoples' Republic of China to expand farm production, upgrade diets, develop a modernized agricultural infrastructure and broaden the country's industrial base. Some elements of the program are already being moved into place. Although it will take considerable time before an evaluation of the results can be made, the PRC program concepts are exemplary and merit careful study by other developing countries.

Relatively large food grants and concessional sales in the 1960s and early 1970s often discouraged production by farmers in the recipient countries. It has become increasingly clear that food aid should generate

economic and agricultural development in these countries. In fact, a new facet of the U.S. program permits us to make food aid commitments for up to 5 years to developing countries to stimulate longer term development projects.

Governments in developed countries, in cooperation with international organizations, have helped to improve agricultural production in developing countries by sharing their biological and technological advances. But the wealthier countries have become acutely aware that the technology that works here may not work everywhere. A large, sophisticated tractor that is ideal for a sprawling Iowa cornfield would be useless and unserviceable on the tiny farms in the more remote areas of the world where labor rather than capital is abundant.

The key is to develop and transfer appropriate levels of technology to the poorer countries—machinery that fits their farm size, can be easily operated, and can be serviced by local personnel with locally produced parts.

Closely related is the transfer of scientific advances. The achievements of international organizations such as the Food and Agriculture Organization (FAO) must be supported and extended to developing-country farmers. And personnel in those countries need to be trained to extend scientific and technological advances to their local farmers.

The poor countries and the poorest people in those countries cannot acquire adequate supplies of food without adequate financial resources. The wealthier countries can help the poorer ones to increase national and per capita incomes—a crucial step toward translating their food needs into food demand—and protect their position in the world agricultural marketplace.

To increase incomes in the poorest nations, the developed countries can: (1) Help them enhance the efficiency of their agricultural production and marketing operations; (2) encourage them to increase employment opportunities in rural areas; and (3) adjust trade arrangements to provide equitable access for products

from developing countries.

The wealthier countries can also aid agricultural development by channeling larger amounts of their investment capital to the less developed countries, either through long-term loans or in-country commercial projects. The capital would enable poorer countries to reduce their dependence on food aid and to purchase the tools needed to accelerate their own production, processing, and distribution of food. It is in this area that private industry can make a significant contribution to agricultural development.

Developed countries can further help the poorer nations generate the resources to fund their economic development through reduction of trade barriers. Such a reduction would enhance the trade of all countries.

Efforts have long been under way to establish a system of world grain reserves that would moderate prices and guarantee supplies in bad crop years. Although participants in multinational forums, such as the International Wheat Council, continue to disagree, the areas of disagreement—where the reserves would be located, who would pay for them, and the conditions under which the supplies would be released—have been substantially reduced.

All of these recommendations aim for the increased production and the grain reserves that are critical to meeting future world food needs. But even with substantial gains in food output and the establishment of an international system of reserves, without some further reduction in current rates of population growth the number of malnourished people in the world will not shrink significantly in the foreseeable future.

*The U.S. Role In Meeting Future World Food Needs.* What the United States does in its policies and programs—nationally and internationally—has a major impact on production, consumption, and trade and therefore, our abilities to meet future world food needs.

We are encouraging the creation of domestic and international poli-



cies and programs which will help assure world food security. Domestic policies and programs have been geared to assure producers a viable income so that they can continue to produce food and fiber for the world. These policies are designed to temper the wide swings in prices which undermine food and income security for both producers and consumers. Yet through these programs we have created a food and agricultural system flexible enough to respond quickly to the ever-changing world demand for food.

The mainstay of President Carter's domestic food and agricultural policy is the use of reserves. Reserves are essential to cope effectively with the uncertainties of weather and varying supplies and demands. They assure U.S. and foreign consumers that the U.S. can provide a dependable supply of food at reasonable prices.

Already more than 23 million metric tons of wheat and coarse grains have been placed in the reserve—almost 11 million tons of it wheat; the balance corn, barley, oats and sorghum. Just recently, the rice reserve program was reopened for the 1978 crop. We believe these reserve stocks will act as an insurance policy for future food needs. They will also permit more rapid progress in satisfying world food needs. Inadequate reserves lead to high prices and force reductions in consumption that take years to overcome.

President Carter has committed U.S. efforts to help solve the world food problem. He has stated that "We cannot have a peaceful and prosperous world if a large part of the world's people are at or near the edge of hunger."

The President recently established a Presidential Commission on World Hunger to identify the causes of hunger and malnutrition, to assess past and present programs and policies; to complete research, and to recommend specific actions for cohesive food and hunger policy. The Commission will help implement its recommendations and work to edu-

cate and focus public attention on food and hunger issues.

The Carter Administration has pointed out the need for creating adequate world food reserves. In the discussions for a new International Wheat Agreement, we have proposed an international system of nationally held world wheat stocks to help ensure adequate supplies at fair prices. The U.S. remains hopeful that such a reserve system will be adopted. We are prepared to maintain our fair share of the reserves, but we expect other countries to share in the responsibilities.

The United States has also been working to lessen existing barriers to trade in the Multilateral Trade Negotiations. In these discussions, we have sought greater access to world markets through various measures, including the reduction and elimination of tariffs and the establishment of codes to govern export subsidies and product safeguards. Concessions are necessary by all parties if trade is to be expanded and its benefits more widely shared—particularly among the developing countries.

We have committed ourselves to support a minimum 10-million ton food aid program as a part of the International Food Aid Convention and are ready to provide one-half that amount, no matter what price or supply conditions exist. In order to assure that the United States is able to meet its priority food aid commitments even in years of low supplies, this Administration has supported establishing an International Emergency Wheat Reserve. Proposals regarding this reserve will go before Congress sometime during 1979.

Traditionally a major supplier, the United States will continue to provide food aid to developing countries. To emphasize this Administration's focus on the need for economic development, in 1977 the U.S. established an arrangement under our food aid law (P.L. 480) whereby developing countries can qualify for long-term loans if they channel the assistance into development projects.

U.S. contributions to interna-

tional development lending institutions were more than doubled in 1978. Our bilateral technical assistance program was substantially increased for 1978—about \$50 million over the \$536 million that had been appropriated in 1976 and 1977. A substantial increase was earmarked for the Sahel region in Africa, one of the hardest hit agricultural sectors in the world.

Meeting the world's food needs over the next several decades admittedly presents a challenge of enormous proportions replete with equally huge risks.

—Generating world income and employment can fuel inflation.

—Increasing food production will require increased incentives to farmers that can result in higher food prices in cities.

—Encouraging food production for local consumption rather than for cash exports can reduce foreign exchange earnings.

Hence, hard decisions will have to be made.

Good moral grounds, and good intentions will not be enough to meet the challenge.

We will have to come to grips with a fragmented world of diverse nations—with varied cultures and subcultures of which we know little.

We will have to deal in the complexities of international politics and the cold, hard economic realities of supply and price, of balance of payments, of trade barriers, protectionism, inflation and the current worldwide energy problem.

The world's capability to meet tomorrow's food needs is not in question.

The paramount question that every nation—individually and collectively—must answer, is whether or not we have the *will* to meet tomorrow's food needs. Unless that question is answered in the affirmative, by definitive actions, we all may see the fruition of President Carter's statement a year ago: "We know a peaceful world cannot long exist one-third rich and two-thirds hungry."